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Judges' Retirement System II

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Judges' Retirement System II Member Booklet

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Membership

The Judges' Retirement System II (JRS II) began in 1994 to create a second retirement system for judges first elected or appointed to judicial office on or after November 9, 1994. Membership includes justices of the Supreme Court, District Court of Appeal, and judges of a superior and municipal courts.

Contributions

As a member of the JRS II, a portion of your monthly salary (currently 8 percent) is deducted each month and put into your account in the Judges' Retirement System II Fund (JRS II Fund). If you are a Supreme Court or appellate court justice or a superior court judge, you do not pay income taxes on your contributions until you retire or receive a refund. **If you are a municipal court judge, you may pay income taxes on your contributions, depending on the county in which you work.** The amount of your accumulated contributions is shown on your JRS II Annual Member Statement, which is mailed to you after the end of each fiscal year.

As of July 1, 1998, your employer contributes an amount equal to 21.54 percent of your salary to your account in the JRS II Fund. This amount is reviewed annually through an actuarial valuation. Your contributions, along with your employer's contributions, and earnings from investments pay for your retirement and death benefits.

Refund of Contributions

A refund of your contributions terminates your JRS II membership, and you will not be eligible for any future benefits. You must accept a refund of your contributions under the following circumstances:

- if you leave judicial office before accruing at least five years of service;

or

- if you plead guilty or no contest or are found guilty of a crime committed while holding office, that is punishable as a felony under California or federal law which involves moral turpitude, or was committed in the course and scope of your duties.

Redepositing Withdrawn Contributions

If you are re-appointed or elected to a judicial position after withdrawing your accumulated contributions or are being paid your monetary credits upon leaving judicial office, you may redeposit your withdrawn contribution plus interest from the date of withdrawal to the date of payment, restoring corresponding service credit.

Please Note

This booklet applies to those elected to a judicial position on or after November 9, 1994. If you were elected before November 9, 1994, please refer to our booklet **Judges' Retirement System**, JRS-JUD-1.

Monetary Credits

On a monthly basis, you accrue monetary credits in your JRS II account equal to 18 percent of your monthly salary. (This includes your 8 percent employee contribution plus 10 percent employer contributions.) In addition, you will receive interest credited at the net earnings rate achieved by the JRS II Fund on its investments during the preceding fiscal year.

Final Compensation

“Final compensation” is your average monthly salary during the 12 months immediately preceding your retirement or separation from judicial office.

Service Credit

You earn service credit for the time you hold office as a judge of a municipal or higher court, computed in full years and fractions of years.

Separation

If you leave your judicial office before accruing at least five years of service, you will be paid the amount of your contributions to the System. **You will not be considered a retired judge.**

If you leave office after accruing five or more years of service, but do not meet the eligibility for service retirement under Government Code Section 75522, you will be paid the amount of your monetary credits, including any interest earned. **You will be considered a retired judge.**

Retirement Options

When you retire, several retirement options are available to you. Be sure to carefully review the benefits of each option to determine which is best for you.

Service Retirement

Section 75522

To qualify for a service retirement, you must be at least 65 years old with at least 20 years of service; or 70 years old with at least five years of service.

Two types of service retirement plans are available to you. You must elect a plan within 30 days after your retirement. If you do not choose a plan, you will automatically be enrolled in the Defined Benefit Plan.

Defined Benefit Plan

In this plan, your monthly retirement allowance will equal 3.75 percent of your final compensation, multiplied by your number of years of service, up to a maximum of 75 percent of your final compensation.

If you die after you retire either for a service or disability retirement, your spouse will receive a monthly allowance equal to half of your allowance for life or until remarriage.

You may elect to receive an actuarially-reduced benefit to provide a continuing allowance for a surviving spouse. (See description of options under Survivor Benefits on page 5.)

Your monthly retirement allowance will be increased annually for Cost-Of-Living adjustments based on the Consumer Price Index. Cost-Of-Living Adjustments (COLA) are effective in January of each year after you have been retired for more than six months. Adjustments will be made if the annual COLA is at least 1 percent. The maximum annual adjustment is 3 percent per year.

Monetary Credits Plan

At the time you become eligible for a service retirement, you may elect to receive the amount of your monetary credits, plus interest, in a lump sum. You may roll it over into another qualified financial institution or you may receive it in an annuity of actuarially-equivalent value for your lifetime.

Disability Retirement

Section 75560

If you become unable to discharge the duties of your office because of a mental or physical disability that is, or is likely to become, permanent, you may apply to the Commission on Judicial Performance (CJP) for a disability retirement.

There is no age requirement for a disability retirement. No minimum service requirement exists for retirement due to a work-related disability. For a non-industrial disability retirement, you must have at least five years of service credit.

For a work-related disability retirement, you will receive 65 percent of your final compensation as a retirement allowance. The CJP makes the final determination if the disability is predominantly a result of injury arising out of and in the course of judicial service.

For a non-industrial disability retirement, your monthly retirement allowance will be the **lesser** of either:

- 3.75 percent of your final compensation multiplied by the number of years of service you would have been credited had you continued to work until the age you would have first been eligible for a service retirement;

or

- 65 percent of your final compensation on the effective date of the disability retirement.

For a disability retirement on or after you reach age 70, you will receive a monthly retirement allowance equal to the amount for a service retirement at the same age and years of service.

The following table shows the retirement allowance at various ages and years of service:

Retirement Age	Years of Service	Retirement Allowance
65 or older	20 years or more	75 percent of final compensation
70 or older	5 - 19 years	3.75 percent of your final compensation multiplied by your years of service

Survivor Benefits

Pre-Retirement Death

If you die before you retire, the JRS II provides benefits to your surviving spouse. If you have no surviving spouse, the benefit is paid to your surviving child (or children); or if none, to your designated beneficiary; or if none, to your estate.

Not Eligible to Retire

If you die before you are eligible to retire, your surviving spouse will receive the **greater** of either:

- your accrued monetary credits;

or

- three times your annual salary at the time of your death, payable in 36 equal monthly installments.

Eligible to Retire

If you die after you are eligible to retire, but before you retire, your surviving spouse may elect within 90 days of your death to receive either:

- a monthly allowance equal to $\frac{1}{2}$ of your Defined Benefit Plan allowance;

or

- your benefits under the Monetary Credits Plan.

Post-Retirement Death

If you elect a monthly allowance under the Defined Benefit Plan when you retire, your surviving spouse will receive $\frac{1}{2}$ of your retirement benefit for life.

If you elect an optional settlement, your surviving spouse will receive one of the four options listed below.

Optional Settlements

Option 1

If you die before you receive the amount of your accumulated contributions, the balance is paid to your surviving spouse or estate.

Option 2

After your death, your adjusted monthly retirement allowance continues for your spouse's lifetime.

Option 3

After your death, $\frac{1}{2}$ of your adjusted monthly retirement allowance continues for your spouse's lifetime.

Option 4

Under specific guidelines, survivor benefits may be customized to fit your needs.

If your spouse predeceases you or you divorce after selecting an optional settlement, you will continue to receive the reduced amount.

All optional settlement elections are irrevocable and subject to the approval of the CalPERS Board of Administration.

If you elect the Monetary Credits Plan when you retire, your surviving spouse will receive benefits based on the method of payment you choose at retirement.

- If you choose to receive your monetary credits in a lump sum upon retirement, then your surviving spouse receives no survivor benefits.
- If you choose to receive an annuity after retirement, your surviving spouse receives the remaining funds at the time of your death.

Health Benefits

As a retired JRS II member or former member who has not yet reached age 65, you may continue your health insurance coverage, provided the following occurs:

- you have at least five years of service credit;

and

- you elect the coverage within 60 days after leaving office;

and

- you assume the cost of both the employee and employer shares of the health premium, plus an additional 2 percent of the premium payments required until age 65.

When you reach age 65, you are entitled to have the employer share of your health care premium paid by your employer. You must then pay the remaining share of the employer premium in addition to paying your member share. The applicable employer share is determined by years of service credit as shown in table below.

If your family members are included in your health plan at the time of your death, their enrollment and the employer's contribution will automatically continue, provided they receive a monthly allowance.

Applying for Retirement

To apply for a service retirement, you must apply to the JRS II prior to your anticipated retirement date. Your effective retirement date may not be earlier than the date your application is received by the JRS II.

Your application may be in the form of a letter or you may request an application from the JRS II. Please include a copy of your birth certificate. To ensure timely processing, submit your application to the JRS II at least 60 days before you intend to retire.

To apply for disability retirement, you must apply to the Commission on Judicial Performance. Once approved, by the Chief Justice, the Commission will notify the JRS II, and we will send you the necessary forms.

Other Considerations

Community Property

If you and your spouse divorce or legally separate, your spouse may be eligible to receive a portion of your retirement benefits. Please contact the JRS II for more information.

Dental Insurance

Many of the same rules apply to dental insurance that apply to your health benefits coverage; however, some differences exist.

Vision

The State's vision plan does not continue into retirement. However, you may pay for an additional 18 months of coverage. Contact your payroll office for further information.

Electronic Fund Transfer (EFT)/Direct Deposit

When you retire, or any time after retirement, you may choose to have your retirement warrant electronically transferred to your financial institution. Contact the JRS II to request a direct deposit form.

Group Life Insurance

If you want to continue deductions for payment of group life insurance premiums, contact your group insurance office for authorization forms.

Years of Service Credit	Percentage of Employer Share of Monthly Premium Paid by Employer (Remainder Paid by Member)
At least five years	50 percent
Between five and 10 years	Pro-rated between 50 and 100 percent
10 years or more	100 percent

Social Security

During your employment as a judge covered under the JRS II, you do not pay Social Security taxes. If you have ever contributed to Social Security under different employment, check with your local Social Security office to inquire about your benefits.

Taxes

Your retirement benefits will be subject to both State and federal withholding. You can make an election regarding withholding.

At retirement, we recommend that you make an appointment with representatives from the Internal Revenue Service and the California Franchise Tax Board, or your tax consultant or attorney, to obtain information regarding the taxability of your retirement allowance. The JRS II will provide you with the information they need to advise you in this matter.

Long-Term Care Program

If you want to continue deductions for payment of CalPERS Long-Term Care Program premiums, make sure to contact the program's administrator at (800) 982-1775, and request the proper authorization forms to ensure continuity of your premium payments.

Working After Retirement

Service Retirement

Your retirement allowance will not be affected by any employment that does not require membership in the JRS II.

If you are assigned to serve in a trial court, there is no offset to your retirement benefits. If you are assigned to sit in a court of appeal or the Supreme Court, and the compensation received is greater than your retirement allowance, the State will pay the difference between the compensation and the retirement allowance.

Disability Retirement

After retiring for disability, you may not accept employment that requires membership in the JRS II or another public retirement system.

If you practice law or accept other gainful employment, other than a public office, while under age 70, your retirement allowance will be reduced so the total of your allowance and earnings does not exceed 75 percent of the current salary for your last judicial office. Monthly earnings must be reported to the JRS II by the eighth of the following month of receipt of earnings.

If you become entitled to any salary for assignment to a court by the Chairperson of the Judicial Council after retirement for disability, your retirement allowance will be reduced by the amount of your salary or compensation.

If you are under age 70 and you hold a public office which constitutes gainful employment, your retirement allowance will be permanently terminated.

After age 70, your retirement allowance will not be affected by employment after disability retirement.

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**Address and
Telephone Numbers**

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CalPERS On-Line

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This information booklet has been produced for use by members and other interested persons for informal purposes only. Please note that the Judges' Retirement System II is governed by the Judges' Retirement System II Law, California Public Employees' Retirement Law, and the Internal Revenue Code, rules and regulations which are complex and subject to change. In the event of any conflict between those governing authorities and the information provided here, the governing authorities shall have precedence.

